Atari Online News, Etc.
A-ONE Online Magazine
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~ New Photo File Virus!  ~ People Are Talking!    ~ New Version of PARCP!
~ XML Testing Pushed!    ~ Calamus SL Lite News!  ~ AOL 8.0 In Test
~ Mozilla vs. Microsoft? ~ Atari MIDI Archives!   ~ New Fretheme Worm!
~ Midwest Classic News!  ~ MS Submits Last Appeal ~ 'GodPey' Released!

                -* End of School Shakira Worm!  *-
                 -* PayPal Investors File To Sell Stock *-
              -* Judge Denies Request Microsoft's Request!  *-



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->From the Editor's Keyboard                  "Saying it like it is!"
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Okay, I'm going to say it - I'm in a foul mood. Yes, partly due to the fact
that I'm forgetting what the sun looks like around New England. And partly
because I just had more oral surgery earlier tonight and my mouth feels like
I've gone 10 rounds with some heavyweight boxer! But mostly because both of
these issues will likely affect my vacation which I'm officially on as of
the next couple of weeks! The weather isn't supposed to get any better
until the first of next week; and my mouth will likely not feel much
"better" for at least a week. And I pity my wife and two dogs who will have
to put up with me!

But trust me, I do plan to enjoy myself! Most of my yard work has been
completed, no thanks to the weather. We're looking to get the pool open,
the vegetable garden planted, and searching for the perfect way to enlarge
and remodel our kitchen. And yes, I plan to do some golfing, barbecuing, a
few (okay, a lot) beers, and relaxation.

Speaking of relaxation, I think I'll start now! Time to kick back and
enjoy. To all you dads out there, Happy Father's Day to you all!!

Until next time...

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                        New Release of PARCP

Version 3.90 of PARCP is available for download.

PARCP stands for PARallel CoPy. PARCP allows you to connect two
computers by parallel cable and copy large files or even whole drives
across the cable.

http://joy.atari.org/parcp/

Reservoir Gods Releases New Game: GodPey

The Reservoir Gods announce the release of their new game "GodPey".

Loosely based on the popular Bandai Wonderswan title "GunPey", the RG
version is packed with new features and enhancements.

The game is an arcade puzzle game with a multitude of game modes. As you
play the game you earn experience points that unlock new areas, new
characters, secrets and extras.

"GodPey" can be played as single player experience, but you can also
compete in multiplayer head to head battles with your mates.

As you gain experience and open new sections of the game, you will
finally unlock the story mode, an epic quest which takes you to a
variety of locations where you battle many different monsters in order
to regain your vegetables.

The game features 14 exclusive pieces of new SID chip music, stereo
sampled sound and 32 colours on screen. It supports all conventional
controllers including jaguar pads.

"GodPey" runs on all Atari machines, but requires a minimum of 1MB of
memory. It detects the hardware it is running on and will utilise extra
features such as blitter accelerated graphics, enhanced palettes and DMA
sound.

You can download "GodPey" from:

URL: http://rg.atari.org/

Atariarchives.org Software Library

There's now a small Software Library at www.atariarchives.org - it
consists of a few Atari 8-bit applications that we've received
permission to share:

- Simax Video Signmaker
- SCREENS
- Slime
- Fort Apocalypse
- Dimension X
- Shark

Calamus SL2002 Lite R3 (precision)

Bonjour,

La rØvision 3 de Calamus SL 2002 lite est disponible depuis quelques
jours.

Hello,

Calamus SL 2002 lite R3 is available for a few days.

Bonjour,

Une prØcision : si vous possØdez dØjà une licence d'utilisation de
Calamus SL2002 Lite edition, la mise à jour est de 20 euros.

Hello,

One detail: if you own a license for a previous rev. of Calamus SL2002
Lite edition, the update costs 20 euros.

P. Ricard (ES)
--
Europe Shareware http://www.europe-shareware.org

Site perso   : http://paricard.free.fr/index.html
ICQ : 84557653

                        The Atari-MIDI Archives!

Hi All:

I would just like to bring to your attention for those that do not
know of a great resource we have:

The Atari-MIDI Archives!

http://groups.yahoo.com/group/atari-midi-archives/files/

The 2o+Megs are just about up,but I was amazed at all the great apps
that members have been collecting there. Worth checking out!

We have a Sound Section which deals with Sounds and sysex utilities
for specific synths. Most are grouped according to manufacturer.

We also have APPS, which also have a folder for sequencers and
algo-comp apps. Nice stuff in there.

We also have a utility folder which has general stuff for Atari
computers: Mouse acc's and serial mouse drivers, disc utilities and
more.

Please make use of this resource! you never know what you might find!

TimC

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->A-ONE User Group Notes! - Meetings, Shows, and Info!

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                    Midwest Classic to Host Large Display of Vintage Computers

Let the Midwest Classic take you back to the glory days of personal
computers,when people had choices beyond a Windows or Macintosh based
computer. Sponsored in conjunction with the Classic Gaming Museum, the
Classic Computing Museum features a large display of 8 bit and 16 bit
computers from the industry's beginnings in 1975 through to the last days
of the 16 bit computers in the early 90's.

Of special note this year is a large section devoted entirely to Atari
computers, and will include many hard to find Atari peripherals in their
pristine condition. Visitors will also have the opportunity to leave
their mark on this historical event by stopping by at the Atari 400
Guest Station, where they can enter their name and a personal saying for
other visitors to read.

The Classic Computing Museum will have a large selection of items on
display for visitors to see, learn about and play.   Each display will
contain a small description and history of the items in the display.
Not all items on display will be playable. Classic computing expert and
ClassicGaming.Com editor Marty Goldberg will be on hand to answer visitors'
questions and guide them down memory lane.

"I look forward to exposing people to a rich and vibrant history they
may not be aware of." said Marty. "Likewise," he continued, "those who
are old hats to the subject will be pleasantly surprised as well by the
extent of the display. Definitely something for everyone."

More information about the Midwest Classic may be found at the Official
Midwest Classic Web site at the GOAT Store, LLC http://www.goatstore.com).
Dan Loosen can be reached at loosen@goatstore.com and Gary Heil can be
reached at heil@goatstore.com for more information on the event.

http://www.goatstore.com/midclassic2002.htm

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                            PEOPLE ARE TALKING
                           compiled by Joe Mirando
                             joe@atarinews.org

Hidi ho friends and neighbors. I hope the previous week has been better
for you than it has for me. I've been suffering from a little sinus
infection. I know that it probably seems that I'm "always sick", but
that's really not the case. I've just been having a bit of bad luck,
that's all.

Perhaps not totally unrelated... I've recently had a birthday. Perhaps
it's just part and parcel of getting older. The little sniffles and

sneezes slow me down a little more than they used to. Where I work, I
have the reputation of "the one who's never sick". I can remember that,
not too long ago, my boss called my house because I had called in sick
for the second day in a row. I hadn't told anyone at work, but I was in
the middle of a bone abscess in my jaw at the time. On the phone, the
boss (in his own delicate way) told my wife, "I'm calling to see if
he's dead".

The bottom line here is that <expletive deleted> happens. No one is
"never sick", and no one always makes the right (or wrong) choices. The
idea that I never get sick springs from the fact that I almost never
miss work. I figure that, if I'm going to miss work, I'd might as well
do it when I'm well enough to enjoy it. The reason in my point of view
is that I'm never TOO sick to work.

As with all things in life, it's just a question of degree. There's a
common belief that each choice that we make sends us down a particular
path. That once you take the left fork in the road, you're forever
barred from taking the other path. But with all the choices we're given
every day, there is always a chance to explore that "path not taken".
It's never actually out of reach. It may get harder to go in that
direction, but it's always possible. The difference is in the degree of
thought, determination, or confidence that it takes. I try to do at
least one thing per day that is contrary to my usual routine.

That's probably why I decided to buy an Apple computer instead of
another Intel box. (And yes, if Atari was still making computers, I'd
have one in addition to whatever other machine caught my fancy). I've
gotten accustomed to the way Intel-based computers work with a couple of
different operating systems, and I figured that it was time to take the
"path not taken"... which in this case, happens to be Apple-colored.

I've already mentioned this, but this Apple PowerBook is a really sharp
machine. If Atari were still making computers, I hope that this is the
machine they would have made.

I'm still evaluating Atari emulators on it, and both NoSTalgia and
PowerST run a lot faster than I thought possible, but I haven't really
had a chance to determine anything about compatibility yet. When I do,
we'll have a nice little talk about THAT. <grin>

Oh, by the way, I had no idea that the first post in this week's column
would be about ARAnyM... HONEST!

Now let's get to the news and stuff from the UseNet.

From the comp.sys.atari.st NewsGroup
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Stanislav Opichal posts this about emulators and hardware:

"In my humble opinion, people that are likely to move to a faster
computer will continue doing this as long as they have enough money. I'm
a professional programmer and I consider any computer to be slow. ;)

It would be good to have a great HW, but there is no market and

therefore it would cost a fortune, if there is any new produced in the future at all, and the producer of such a hardware would quit it in a year or so (my guess).

In fact I didn't move to an emulator. We, the ARAnyM authors, don't talk about it as an emulator because it is not an emulator. It is just a virtual machine that ensures any processor to have the m68k instruction set. Even Milan guys were considering to create such a software layer over the Linux OS. We came as the first ones and I personally don't believe in any further HW to be created on m68k processor. If you want to speak about coldfire project or any other falcon speeder like the rumorous Tempest then you have to know that this is in fact the same as ARAnyM, but only with a different host CPU type. ARAnyM is able to compile and run on a wide variety of CPUs like x86, Sparc, MIPS and many others you can port it to.

I'm also very sad that people don't actually see the future of the TOS or better FreeMiNT platform. As far as I can see 90% of you all are just sitting and watching your MagiCPC or Gemulator screen paying for that a fortune and being limited to a specific host OS. As far as I can say there are a very few people developing FreeMiNT or TOS software. I know MagiC has something that FreeMiNT doesn't, but it is death just because it is commercial and the community (the ASH market) is shrinking. FreeMiNT and the open-source projects are live. There are developers who dedicate nearly all their spare-time for it. But you users... you are just continuing to use MagiC not seeing the future.

I would say that if everybody moves to ARAnyM, EmuTOS, fVDI, FreeMiNT and XaAES then we all would profit from that with having a great bunch of new modern applications. All the missing features will be implemented and everything you will get for free!

One example of all: If you miss MIDI for ARAnyM then it would definitely be possible to do something about it. We can develop some HW plugable to some ports or just a binding to an existing MIDI card or whatever. But do not consider that you will get ARAnyM to be a complete TOS clone without saying that you use it and what you really want. Please think about it at least for 10 minutes before you reply. And consider the fact that I am not the only person helping on ARAnyM and my opinions may differ from the others."

Jeff Armstrong tells Stan:

"While I do love the Aranym project, I have to say that you're being quite abrasive to some users. First of all, I see no harm in developing hardware solutions. A lot of people prefer the quirky hardware like the upcoming Coldfire computer. Sure, it's a small production run and the hardware might be expensive relative to PC's, but it's not prohibitively expensive and it provides a very modern hardware platform for Atari users. Aranym takes a different approach by employing PC hardware and an 040 emulation layer. Both are valid techniques.

Second, you're very critical of commercial software. I think you could alienate a lot of Magic users with this kind of talk. Personally, I've used XaAES on top of MiNT and I have to say that the commercial alternatives, N.AES (on top of MiNT) and Magic, are more mature products. I'm sure XaAES will be great, but it's just not completely finished. A lot of people consider commercial software availability as a sign of the health of a market. I think that if there were no commercial products

available for the Atari, I might leave the market. Open source is
definitely a good thing, but many people don't feel it's the answer to
everything.

These are just some thoughts, but I just want to be clear that I'm
excited about the Aranym project and I can't wait for ethernet support,
at which point I will definitely set up a system. I wish I could help,
but I'm more of an end user. Keep up the great work!"

Joshua Kaijankoski tells Stan:

"While I have to agree with most of what you say, I still think of
ARAnyM as an emulator. Virtual machine and software layer are just fancy
names for an emulator. No matter how cock-eyed you look at it, it's
still an emulator in my eyes."

Djordje Vukovic tells Joshua:

"As for BIOS chips, Joshua... As far as I know, the routines in that
same chip are used to start booting -any- operating system on a PC
(e.g. DOS, Windows, Linux, QNX...), but this does not mean that those
OSes are run on "emulator". Once loaded, the OS can even use its own
low-level routines and never address the chip anymore. And if, e.g. the
minimum set of linux or whatever else is loaded just to start Aranym, I
don't see any logical (psychological?) problems with that. E.g. I work
daily on a nice Alphaserver DS20E running OpenVMS 7.21 which is a very
mature, reliable and secure operating system. The system is booted from
a "console" firmware which has a quite comprehensive command language,
can perform a number of operations and includes even some basic network
capabilities- practically an OS of its own. But that does not make that
machine an "emulator" for loading OpenVMS.

Hmm, I might one day try to compile Aranym on that Alpha :) There are
C++ and Decwindows (i.e. X-11) on it."

Christopher Coxon asks about a particular ST model:

"I am collecting a private Museum of all the Atari XE Onward computers
and their hardware accessories, I have been told by someone that
supposedly owned one that there was an Atari ST 4160 they said they'd
sold it to a German collector.

If anyone can shed any light on this I would be very interested in this
and any other st Items, working or non-working I'm not fussy,

Has anyone on this newsgroup ever compiled a list of all variants? (I'm
talking official Atari not homebrews) I just got on EBay an ST Mega4 I
already Have Mega1 and Mega 2 and Mega STE, but I need a Falcon and a TT
to complete the main models lineup.

All help appreciated as I'm a bit of a beginner at this.

I have a STFM socketed test motherboard and loads of 256k and 4Mb ram
upgrade chipsets which I brought from a dealer closing down, If anyone
wants any of these please feel free to get in touch direct. I hope to be
able to offer eventually a diagnostic and repair service. If anyone also
has any test equipment they don't need any more - specifically for Ataris

I would be very keen to obtain it."

James Alexander tells Chris:

"From what I've seen and heard over the years Atari had planned a
4160STe which was pretty much a stock 1040STe with 4 1 meg simms
(instead of the 256k simms) and the badge (you know that metallic label
thing) which read "Atari 4160STe".

From what I've been able to gather, many of the dealers at that time
didn't like the idea of stocking 2 different versions of essentially the
same machine for just a different memory configuration when they could
get simms from their suppliers and easily do the upgrade themselves if
customers wanted it.   Atari did produce the 4160STe badges and made
them available to dealers. I'm not sure if many dealers actually used
them though. These days you can get the badges from Best electronics
and perhaps some other mail order places."

J rg Hagemann asks about finding the right emulator:

"Does anybody know a ST-Emulator for Windows-PC which runs Spacola,
Oxyd, Bolo, without errors?"

Matthias Arndt tells J rg:

"STEEM - http://steem.atari.org/"

 Well folks, that's it for this week. Tune in again next week, same
time, same station, and be ready to listen to what they are saying
when...

PEOPLE ARE TALKING

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->In This Week's Gaming Section - Microsoft Closer With Online Games?
  """"""""""""""""""""""""""""""   New Wireless Game Technology!

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->A-ONE's Game Console Industry News   - The Latest Gaming News!
  """""""""""""""""""""""""""""""""""

              Microsoft Edges Closer to Sony in Cyber Games

Microsoft Corp on Tuesday took a step closer to arch rival Sony Corp in the budding world of cyber video games, unveiling a $54.5 plug-and-play starter kit for its Xbox game console in Japan.

The U.S. software giant also said 39 game makers would offer a total of 47 titles for its online game service, "Xbox Live," set for a worldwide launch this autumn.

The starter kit covers the cost of subscription fees for the first 12 months and a headset for chatting online while playing games over the Web. Last month it said it would sell the kit for $49 in the United States.

"We bet on online gaming from the beginning, and our guess has been correct," said Hirohisa Ohura, Microsoft Japan's managing director in charge of Xbox operations.

"Japan has seen the fastest growth in broadband Internet connection services."

Microsoft faces tough competition from Sony, which launched its game service in Japan in May and has already tied up with several Internet service providers to connect its popular PlayStation 2 to broadband networks.

Unlike Microsoft's Xbox, which comes equipped with a broadband adapter, Sony's PlayStation requires users to buy an additional hard-disk drive and adapter to go online.

Faced with a sizzling price war for game consoles on the home turf of Sony and Nintendo Co Ltd, Microsoft is pinning its hopes on virtual gaming services to stir up demand for its black box with a green "X" logo.

Microsoft said it expects the number of broadband service users in Japan to jump to six million from the current 4.5 million by the time its game service kicks off.

But analysts at Merrill Lynch said Japan's broadband market is still in its infancy and the service is unlikely to boost Xbox sales.

"I don't see this would make a significant contribution to Microsoft," said Merrill's Ken Uryu.

Microsoft said it plans to spend $2 billion over the next five years to promote Xbox and Xbox Live.

At that time, the company said the starter kit would cost $49 in the United States.

Microsoft said around half of Xbox users in Japan have broadband connections at home, although it did not disclose how many Xboxes have been sold in Japan since it debuted in February.

Ohura reiterated that Microsoft aims to ship 3.5-4 million units globally by the end of June.

Many analysts are skeptical about whether online games will burst into the mainstream, arguing that video game players will hesitate to pay a fee for online games.

While Sony and Microsoft have taken an aggressive stance on online gaming, Nintendo has favored caution.

Nintendo President Satoru Iwata said last week that online games are not yet ready to become a mainstream business.

"It's something that has possibilities for the future but we don't need to rush into it tomorrow," he told an analysts meeting last week.

New Wireless Game Tech Works with PlayStation 2, Xbox and GameCube

Video game aficionados can lose the cables on their consoles with the wireless xiSpike, new technology from Eleven Engineering. Spike uses radio-frequency technology to can "hop" among four wireless controllers.

Eleven Engineering CTO John Sobota told Wireless NewsFactor that it is only a matter of time before game system manufacturers move toward wireless, and that Eleven's multipoint technology will be a preferred option.

"This is what they want. Our QuadX transceiver box plugs into a central device and can bounce signals from one device to another," he said, regardless of brand. It is compatible with all of the major video game manufacturers, including Sony PlayStation 2, Microsoft Xbox, Nintendo GameCube and PC/Mac.

Sobota said the company has developed a specific protocol for video game controls. Unlike packet network technologies -- such as Wi-Fi -- that suffer from signal delays, the Eleven system delivers the instantaneous response required for game consoles.

Operating in broadband, Sobota said, Spike has the bandwidth to eventually offer "chat" applications that connect gamers through the Internet, as well as offering speech-based game commands.

The Spike system operates at broadband speed (1.5 Mbps) using spread-spectrum technology, and has a wireless range of up to 30 feet.

Eleven Engineering has targeted video game manufacturers with the goal of integrating the Spike chipset into game consoles. The company is developing an expansion module to enable such future applications as voice transmission and recognition by gamers.

The system's protocol uses frequency hopping and three additional layers of error protection to provide the quick reaction times that gamers require.

"Wireless is the future for avid gamers, because it gives more freedom and comfort by eliminating the cables," Yankee Group analyst Ryan Jones told Wireless NewsFactor. "The technology has improved. Previously, battery life for these systems was not up to par and the connections weren't great."

The problem, Jones said, is that the comfort comes at a high price -- adding as much as 50 percent to the cost of a video game console.

Giga Information Group analyst Rob Enderle said wireless game consoles
mark a trend toward the convergence of the PC world and the game console
world, with both turning their attention to modular and integrated
wireless systems.

"Wireless is increasingly important to the video game market, but
acceptance depends on cost," Enderle told Wireless NewsFactor.
"Manufacturers have been cutting the prices on their game systems, and
they are sensitive to add-ons that increase their costs."

Any integrated wireless system most likely would be based on an open
standard that offers universal connectivity, rather than one produced by
an individual company, said Enderle.

As for the potential sales of a system like Spike, Jones said only 20
percent of gaming households purchase aftermarket devices for their
consoles.

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A-ONE's Headline News
The Latest in Computer Technology News
Compiled by: Dana P. Jacobson

Shakira Worm Heralds Summer Virus Season

Enticing recipients by promising to display pictures of pop star Shakira,
the latest Internet worm using the Colombian singer's name is about as
basic as malicious code can get, yet it is spreading, albeit slowly.

Antivirus experts said the worm, which was built with the same kit that
was used to write the Anna Kournikova worm, also marks the end of school
days and the beginning of summer vacation, meaning that more malware
undoubtedly is on the way.

"This is someone just dinking around to see what they could do, not
somebody with coding experience necessarily," McAfee.com virus research
manager April Goostree told NewsFactor.

"Anybody who can get their hands on this kit can do it."

The worm, officially referred to as VBS/ VBSWG.aq@MM, contains the subject
line, "Shakira's Pictures," a body that reads, " Hi: i have sent the
photos via attachment Have fun...," and an attachment with the file name
"ShakiraPics.jpg.vbs."

It spreads via Microsoft Outlook e-mail and Internet Relay Chat (IRC), and
it overwrites .vbs and .vbe files with its own code, according to security
advisories.

Symantec Security Response chief architect Carey Nachenberg, whose company
rates Shakira a level 3 threat on a scale of 1 to 5, told NewsFactor that
the worm has the potential to spread very rapidly.

Nachenberg called Shakira a "wholly unremarkable worm" that was created with a basic virus-generating tool.

"It's really sort of a cookie-cutter worm," he said, noting that "the most unremarkable viruses are the ones that spread the best. Melissa, Loveletter -- these were not rocket science. The least interesting viruses happen to be the best [at spreading]."

On the other hand, Goostree said McAfee.com does not expect Shakira to spread significantly because it is covered by an old virus definition.

Antivirus experts also referred to a "virus season" that, despite spanning half of the year, from March through September, may peak as students leave classes and have more time.

"You never know if it's free time, a break [from school] or a spin-off of a school project," Goostree said, referring to the profile of virus writers as school-age, 17- to 21-year-old males.

"I think you will see an increase with people that are away from school and have more time to dink around on the computer and wreak havoc, unfortunately," Nachenberg said.

Computer Photo File Virus Discovered, No Spreading

Security researchers have found the first computer virus able to corrupt digital images, including photos, stored on a hard-drive in the popular ".jpg" format, an anti-virus company said on Thursday.

The virus, dubbed "W32/Perrun," can corrupt .jpg files but is considered low risk because it has not spread, and was not expected to spread, across the Internet, said Vincent Gullotto, vice president of Network Associates Inc.'s Anti-Virus Response Team.

Even so the Perrun virus was significant because it gave researchers an idea of a new way that computers can be infected, he said. The virus infects .jpg files on a machine but does no real harm, Gullotto said.

"It's not serious, but the nature of what the virus writer has done has us thinking there will be other attempts to do something that is more complicated or that may have the ability to spread in files that are not standard .exe files, which are the ones that typically get infected," Gullotto said.

Unlike most viruses these days, which automatically distribute themselves via e-mail systems, this one could arrive in an infected floppy disk, CD, or e-mail, but it does not have the capability to hop from one computer to another, he said.

Also on Thursday, Helsinki-based anti-virus company F-Secure warned of a new worm that appears to be spreading through e-mail, although it too was considered low risk.

The danger with the so-called Frethem worm, a self-replicating virus, is that it can infect a computer if a user opens the e-mail that contains it.

The worm does not require that the attachment itself be opened, said Tony Magallanez, a systems engineer for F-Secure in San Jose, California.

The worm sends copies of itself to recipients in the Windows Address Book in Microsoft Outlook or to e-mail addresses listed in databases on an infected system, he said.

Updated anti-virus software will protect computer users, Magallanez said.

The worm started to spread on Tuesday and already there have been seven different variants discovered, he said.

New Fretheme Worm on the Crawl

Antivirus companies are warning users to install patches and signature files to protect against a worm variant that has surfaced in the United States and Europe.

On Wednesday night anti-virus software vendor Trend Micro issued a yellow (or medium) alert for what it refers to as Worm_Fretheme.E. Anti-virus vendors sometimes use different names for worms, and incidents of the W32/frethem.f@mm variant have been logged in the United States and other countries.

Andrew Gordon, managed services architect at Trend Micro in Australia, said there have been infection reports from several of its business units around the world, particularly the United States.

Worm_Fretheme.E is similar to other worms in that it is an e-mail-propagated .exe attachment, Gordon said. The subject line of the e-mail reads "Re: Your password!" The attachment is Decrypt-password.exe.

The message body reads: "ATTENTION! You can access very important information by this password. DO NOT SAVE password to disk use your mind now press cancel."

According to Gordon, Worm_Fretheme.E is fairly "vanilla" and its only major difference from Worm_Fretheme.A is that once someone has been infected it will try to connect to a raft of Web sites whose IP addresses are listed. Gordon said this was only to generate hits for the sites rather than to send anything to them.

Ric Byrnes, director of support and services for Asia Pacific at anti-virus vendor Network Associates, said the w32/frethem.f@mm variant was listed as low risk.

Byrnes said the variant was discovered on Friday, with signature file, detection cleaning and removal released yesterday. He described it as a mass mailing worm that affects Microsoft Outlook Express users.

According to Byrnes, the worm exploited a vulnerability in Microsoft's Internet Explorer, for which a security bulletin and patch had been issued early last year.

He suggested that, in addition to updating their anti-virus software protection, users should also install the latest security patches for IE.

However, Byrnes said Network Associates had seen minimal impact from this variant, and it hadn't as yet recorded any incidents of it in Australia.

Paul Ducklin, head of global support at Sophos Anti-Virus, said only a few incidents of this worm had been seen.

Worms, viruses and vulnerabilities have been on the minds of corporate users in recent months. Late last week, a visiting security expert warned Australian businesses that the Klez worm could continue to cause headaches over coming months. Vulnerabilities such as those found in version 9 of the BIND server have also come to light recently.

Last Filing Lays Out Microsoft Antitrust Defense

Microsoft Corp. submitted a final written appeal to a federal judge on Monday in an effort to fend off strong antitrust sanctions sought by nine states.

In a 500-page summation of the company's defense, attorneys for Microsoft told U.S. District Judge Colleen Kollar-Kotelly that the states' severe restrictions were designed to benefit rivals such as AOL Time Warner Inc. and Sun Microsystems Inc., and would harm consumers by depriving them of a reliable platform for software.

The states' proposed sanctions "would preserve or boost the fortunes of Microsoft's competitors without increasing competition or improving consumer welfare," Microsoft said in the filing.

"These firms are concerned about head-to-head competition from Microsoft that threatens their positions as market leaders, not about their ability to challenge Microsoft's monopoly in Intel-compatible PC operating systems," Microsoft's attorneys argued.

Microsoft said the states' plan would be impossible to comply with, would end up hurting computer security and "dramatically impairing Microsoft's ability to develop new versions of Windows."

Microsoft also told the judge that the states' case is rife with "legal flaws," in part because their proposed sanctions go far beyond anything the company had actually done wrong.

The states were scheduled to present the judge with their own written arguments by the end of the day.

Both sides are tentatively scheduled to make their final oral arguments before the judge on June 19.

The pleadings were due a month after the two sides ended 32 days of testimony -- including an appearance by Microsoft Chairman Bill Gates - on how best to prevent future antitrust violations.

Kollar-Kotelly is also considering whether to approve a settlement that Microsoft reached with the Justice Department in November. Among other things, that deal would require that Microsoft let computer makers hide desktop icons for some Windows features to allow the promotion of competing software.

The hold-out states, including California, Massachusetts, Iowa and Connecticut, have rejected the settlement as too weak despite the signatures of nine other states.

The non-settling states say a modular version of Windows, allowing features like the Internet browser and media player to be removed, is needed to level the competitive playing field for non-Microsoft software.

The hold-out states also want requirements that would force Microsoft to disclose more of Windows' inner workings and license its Internet Explorer browser royalty-free.

But Microsoft has insisted that Windows is highly dependent on all its parts and would not work properly with some features removed.

The dissenting states have dismissed Microsoft's case as a "monopoly-is-good-for-you argument" and say Microsoft has tried to frighten the judge away from imposing stronger measures against the company.

A federal appeals court a year ago upheld the original trial court's finding that Microsoft illegally maintained its Windows monopoly through acts that included commingling its Internet Explorer code with Windows to fend off a rival browser made by Netscape.

But the appellate judges rejected the breakup order by the trial judge -- U.S. District Judge Thomas Penfield Jackson - and sent the case back to a new judge, Kollar-Kotelly, to consider the most appropriate remedy.

Judge Denies Microsoft Request to Dismiss States

A federal judge on Wednesday rejected Microsoft Corp.'s request that she throw out claims against it by nine states seeking stiff sanctions against the software giant.

Microsoft had tried to argue that the nine states lacked standing to continue the four-year-old case brought under federal antitrust law because the U.S. Justice Department had reached a proposed settlement with the company in November.

U.S. District Judge Colleen Kollar-Kotelly gave Microsoft some credit for raising the argument but said the case had been "unique from its inception" and cited a U.S. Court of Appeals' instruction to allow the parties in the case to be heard.

"The legal issues addressed herein may prove appropriate for consideration in a subsequent case where they are not hobbled at the outset by the existing law of the case," Kollar-Kotelley said in her opinion.

She said the arguments raised by the dismissal request had "not passed unnoticed" but the court had yet to determine whether the arguments would influence the devising of a remedy in the case.

Final oral arguments are scheduled for June 19.

Microsoft's legal maneuver had sparked objections from many states, even some who had agreed to the settlement, as it could have threatened their

ability to pursue antitrust matters.

Even the U.S. Justice Department had reluctantly agreed there was no case law to support Microsoft's request when asked for its opinion, although it cautioned against the dissenting states' plan.

"While we had hoped for a different outcome on this particular motion, we did raise some important Constitutional and policy issues with the court," Microsoft spokesman Jim Desler said.

Iowa Attorney General Tom Miller said the decision confirmed the rightful role of state attorneys general to prosecute antitrust violations. "Now we can almost see the finish line in this case," Miller said in a statement.

Microsoft and the non-settling states submitted their final written arguments in the landmark case on Monday.

In a 500-page summation of its defense, attorneys for Microsoft told Kollar-Kotelly that the restrictions sought by the dissenting states would benefit rivals like AOL Time Warner Inc. and Sun Microsystems Inc. , and would deprive consumers of a reliable platform for software.

But the states, that also include California, Connecticut and Massachusetts, accused Microsoft of distorting their proposal and said the company's proposed settlement was too weak to prevent future antitrust violations.

The settlement would require Microsoft to let computer makers hide desktop icons for some features of its Windows operating system, to allow the promotion of competing software.

The dissenting states want the option of completely removing those features and protection from anticompetitive tactics for new technologies such as Internet services and handheld computers.

A year ago the appeals court upheld the trial court's finding that Microsoft illegally maintained its Windows monopoly by acts that included commingling its Internet Explorer code with Windows to fend off a rival browser made by Netscape.

But the appellate judges rejected the breakup order by the trial judge - U.S. District Judge Thomas Penfield Jackson - and sent the case back to a new judge, Kollar-Kotelly, to consider the most appropriate remedy.

PayPal Investors File To Sell Shares

PayPal investors and executives on Wednesday filed to sell 6 million shares, about 10 percent of the online payments company, in a secondary public offering.

Among those selling shares are Chief Executive Peter Thiel and Chief Technology Officer Max Levchin. The filing comes just four months after the company's successful initial public offering.

Separately, PayPal announced news on its legal fronts. While New York's Banking Department concluded that the company was not engaged in illegal banking, two more class-action suits have been filed against the company

on behalf of PayPal customers, the company said in its regulatory filing.

PayPal representatives declined to comment, saying that the company was in a quiet period due to the filing.

In other news Wednesday, PayPal increased its second-quarter and full-year forecasts.

PayPal set a tentative per-share price for the offering of $26.95 for the purpose of determining a registration fee. The company's shares were down $1.79 at $23.69 in early afternoon trading on the Nasdaq on Wednesday.

Thiel plans to sell 574,701 shares, or about one-fifth of his stake in the company, according to the document filed with the Securities and Exchange Commission. Following the offering, Thiel would go from owning 4.6 percent of PayPal to about 3.6 percent.

Levchin's stake would go from about 2.9 percent of the company to about 2.2 percent, following the offering. Levchin plans to offer about 419,000 shares, or about 24 percent of his holdings.

Company Director Elon Musk also plans to offer some of his stake in PayPal as part of the offering. Musk, who served as PayPal's CEO from May 2000 to September 2000, plans to sell 1 million of his 7.1 million shares. His stake in the company would decline from 11.7 percent to 10.1 percent.

Other company insiders offering shares include David Sacks, the company's chief operating officer; Reid Hoffman, PayPal's executive vice president; and James Templeton, a senior vice president. They plan to sell about 98,000 shares, 83,000 shares and 45,000 shares, respectively.

PayPal raised about $70 million in its IPO in February, selling about 5.4 million shares of stock. One of the first public offerings by a tech or Internet company in about a year, PayPal's IPO was delayed in early February after a lawsuit was filed against the company. PayPal later settled that suit.

The company has faced legal problems in recent months, including questions from state regulatory authorities about whether it is offering an illegal banking or money-transmitter service. Louisiana went so far as to ask PayPal to cease offering its service to state residents. The state withdrew its request after PayPal applied for and obtained a money-transmitter license in the state. PayPal has moved to clear regulatory hurdles in other states, applying for money-transmitter licenses in some 16 states plus the District of Columbia.

Last week, PayPal received a letter from New York's Banking Department saying that the department had concluded that PayPal is not operating an illegal banking business. New York officials had previously indicated that they thought PayPal was operating an illegal bank, and the state can still change its conclusion, the company said in its filing. The state has encouraged PayPal to apply for a money-transmitter license, which PayPal said it plans to do by the end of the month.

In March, the Federal Deposit Insurance Corporation said it does not consider the company to be a bank or savings association because it does not accept deposits as defined by federal law. However, officials at the time cautioned that they do not have the final word on the matter.

While PayPal's regulatory difficulties seem to be improving, other legal

problems have cropped up recently. Already facing two class-action suits, one each in federal and California state courts, PayPal was hit with two more class-action suits earlier this month, filed by the same lawyers who filed the original suit in February, according to the company's regulatory filing.

The new suits are similar to the first two filed against PayPal, charging the company with illegitimate restricting of customers' accounts. One of the new suits, filed in California Superior Court in Santa Clara County, charges PayPal with illegally freezing accounts in their entirety in cases where only a portion of the funds in the accounts was suspected of coming from fraud or where the account owners were not suspected of any fraud at all. The suit also charges PayPal with deducting funds from members' accounts without conducting an investigation.

The other new suit, filed in U.S. District Court for the Northern District of California, was filed on behalf of customers who use PayPal primarily for personal or household purposes. The suit alleges that the online payments company violated the federal Electronic Funds Transfer Act by failing to conduct timely investigations into customer complaints and failing to provide a readily available phone number for consumers to report problems. The suit also charges the company with illegally converting and retaining user funds for its own use.

Both suits seek actual, compensatory and punitive damages against PayPal.

"We believe we have meritorious defenses to these lawsuits and will contest the suits vigorously," the company said in its filing. "However, the ultimate resolution of these matters could have a material adverse effect on our financial condition and results of operations."

PayPal upped its guidance to investors on Wednesday, saying that it expected its second-quarter revenue to be higher than previously indicated. The company now expects to pull in from $53 million to $54 million in revenue in the second quarter; the company's previous range was from $52 million to $53 million, the company said in a statement. PayPal expects to post pretax net income between zero and $500,000, about zero to 1 cent per share, in the quarter.

On a pro forma basis, excluding noncash stock compensation charges and a charge related to its recent change of headquarters, the company expects to earn $5.5 million to $5.8 million, or about 8 cents to 9 cents per share in the quarter. Wall Street analysts surveyed by First Call had expected the company to earn about 8 cents per share.

For the full year, the Mountain View, Calif.-based company now expects to post $14 million to $19 million--about 23 cents to 30 cents per share--of pretax net income on between $222 million to $230 million in revenue. The company previously told investors it expected its full-year revenue to fall between $220 million to $230 million. PayPal did not provide a net income estimate.

PayPal expects to post pro-forma profits, excluding the stock and moving charges, of between $22 million to $24 million, or 35 cents to 37 cents per share, for the full-year. The company previously told investors it expected to post pro-forma profits of 34 cents to 36 cents per share for the fully year; Wall Street analysts surveyed by First Call had expected the company to earn 36 cents per share on a pro-forma basis.

America Online has quietly released a preview version of its
next-generation AOL 8.0 software, which will include more ways for people
to customize the look and feel of the service.

The preview version, offered to beta testers this week, is not a drastic
shift in appearance and use from AOL 7.0. Since the new version is in
beta, AOL 8.0 will likely undergo more changes and additions as the fall
release date draws closer.

"We just began beta testing," said AOL spokeswoman Jane Lennon. "The
current beta only includes a few new features."

The AOL 8.0 beta comes bundled with Microsoft's Internet Explorer Web
browser. Over the past year, AOL has waded further away from using IE as
the default browser in its various online services and has warmed up to
its Netscape Communications subsidiary instead.

Official versions of CompuServe 7.0, an AOL subsidiary, use Netscape as
the default browser; preview versions of AOL 7.0 and AOL for Mac OS X have
also come bundled with Netscape.

AOL's Lennon declined to say whether Netscape will come bundled in future
beta versions.

If there is a central theme to the scattered collection of new features in
the AOL 8.0 beta, it would be customization. For instance, AOL 8.0 allows
members to add wallpaper graphics to their instant messenger interfaces,
alter the colors of their IM smiley faces and block individuals from
communicating with them.

Other features include the addition of mail signatures, improved address
book printing, a digital subscriber line and cable modem-ready connection,
and the ability to play audio and mixed-media CDs from a CD-ROM peripheral.

The AOL 8.0 beta comes less than a week after Microsoft released a testing
version of the first major Windows XP update, or service pack. The timing
of AOL's beta may not be coincidental. With Service Pack 1, Microsoft is
introducing major changes to how Windows XP handles so-called middleware,
such as Web browsing, instant messaging and media playback technologies.

The changes, mandated by a yet-to-be-approved settlement in Microsoft's
4-year-old antitrust case, would allow PC makers or consumers to hide
access to some Microsoft middleware products. But software developers must
enable their middleware to work with the control for implementing the
feature. The AOL 8.0 beta, which more tightly integrates media playback
and other middlewareinto the online-access software, could be a first step
for testing the Windows XP changes.

The changes also are expected to lead to a second PC land grab, with AOL
and other software developers paying PC makers for preferred placement of
their middleware.

Browser Makes Last Stab at Microsoft

A Web browser project run primarily by volunteers and backed by America Online is making one last stab at challenging the dominance of Microsoft Corp.

The group released its Mozilla 1.0 package this month - some four years after AOL's Netscape unit launched the project.

And while analysts aren't sanguine about the browser's prospects, there is excitement among those who believe Mozilla's real strength lies in its versatility and potential for gadgets such as wireless devices where Microsoft is not yet dominant.

"Internet technology is (being) transformed into a privatized world, developed and run for the benefit of a small number of vendors," said Mitchell Baker, the project's general manager. "Mozilla is a critical component of keeping the Web open and allowing innovation."

Microsoft's Internet Explorer now has a global usage share among browsers of 93 percent, up from 87 percent last year and 67 percent in 1999, according to WebSideStory's StatMarket.

Netscape's current share is less than 6 percent, with the remainder using Opera and other browsers.

Mozilla may thrill some tech-savvy users, "but it's not going to make a dent with the mainstream," said WebSideStory's Geoff Johnston, unless, that is, AOL Time Warner puts major marketing muscle behind it.

AOL is using Mozilla in newer Netscape browsers, including the 7.0 version now available as a preview release. The company is also testing Gecko, the Mozilla component that displays content on a screen, for its flagship AOL service, which now runs on Internet Explorer.

Microsoft declined comment on how much of a threat it considers Mozilla, saying it cannot speak on rival products.

The Mozilla project began in 1998 when then-independent Netscape shifted its browser strategy to better compete with Microsoft. Netscape released its source code, or software blueprint, to the public and encouraged developers to offer improvements.

Several months into the project, the Mozilla team decided to scrap the Netscape code and start from scratch to create a modern software platform on which to build many applications - not just browsers.

In early 1999, AOL acquired Netscape.

Now that Mozilla 1.0 is finally done, it's available for download at www.mozilla.org. But there's no Mozilla help desk for users.

The focus instead will be on assisting developers, such as Netscape and Red Hat Inc., who can package and ship products and offer support to users.

The power of Mozilla, which got its name from Netscape's dinosaur-like mascot, is its open-source nature. Users who can't get satisfaction from existing browsers can adapt Mozilla themselves. Versions are being developed for Internet kiosks, game consoles and cable television set-top boxes.

Because of its modular build, Mozilla can be the ground floor for myriad unbrowserlike applications: games, desktop calculators, music-video players, word processors.

"We really are building an Internet operating system at this point," said Tim O'Reilly, a technical publisher and leading advocate of open-source software. "Components of Mozilla are useful parts of that framework."

Andrew Mutch helps develop and uses a version called K-Meleon in the Waterford Township, Mich., public library, where he is systems technician.

He says other browsers don't let him turn off features the way K-Meleon does, making them difficult to manage in multiple-user settings.

WorldGate Communications Inc., which makes systems for interactive television, is customizing Mozilla for set-top devices, preferring it to proprietary software from potential competitors.

"We need to be independent enough that we can set our own course and not be beholden to someone else's priorities and schedules," said Gerard Kunkel, WorldGate's president.

The Mozilla team officially makes versions for Macintosh and the open-source Linux, and volunteers translate it to several other systems. Versions are planned in at least 38 languages.

In some respects, Mozilla will compete head-to-head with Opera, another popular browser within a niche, tech-savvy community. Both browsers, for example, share such features as a pop-up ad blocker.

Opera chief executive Jon S. von Tetzchner isn't worried about the competition. With 1 million new installations of Opera each month, both have room to grow, he says.

Mozilla's Baker insists the project's success is critical to the Web's future: "If there's only one browser and that browser is tied to the business plan of a particular entity, it's quite likely that what we see on the Web will be limited."

Web Group Pushes XML Testing

Eager to get Web services developers to conform to one if its key recommendations, the Web's leading standards body has released a set of tests for XML processors.

The World Wide Web Consortium (W3C) on Wednesday launched the XML Conformance Test Suite. Offered free of charge, the suite consists of 2000 files, each of which tests for a specific feature or combination of features in the second edition of the W3C's published XML 1.0 recommendation.

XML, short for Extensible Markup Language, is a format that's been gaining cachet as a way to simplify data exchanges between disparate businesses and software programs. It lets programmers define types of data--a product ID number, for instance - so that computer programs can instantly recognize the information being transferred and handle it properly.

The federal government's National Institute of Standards and Technology
(NIST) first published in 1999 an XML test suite that served as a
foundation for the present W3C edition. Additional contributions come from
the Organization for the Advancement of Structured Information Standards
(OASIS), an XML standards organization, which formerly hosted the NIST
suite.

Part of the goal for the standards organizations in promulgating the tests
is to ensure interoperability between XML processors. The way it is now,
some XML applications developed to exchange data with each other may run
into compatibility glitches.

That, warned the W3C, could spell trouble for the much-hyped set of
technologies known as Web services, which are intended to add up to a way
for companies to communicate and conduct business online through any
device that has Internet access, from cellular phones to desktop
computers.

"The foundation of Web services as we've heard it discussed has to do with
standards conformance, and it starts with XML," said W3C representative
Janet Daly. "If applications don't conform to XML, they won't be able to
conform to the range of other specifications built on top. The test suite
gives developers--both big vendors and independent developers - a way to
test their work."

The XML suite is one of several test suites (which check applications for
compliance) and validators (which check documents) offered by the W3C
under the auspices of its Quality Assurance Activity.

Validators include those for cascading style sheets (CSS), the HTML, XHTML
and MathML specifications, the Platform for Privacy Preferences (P3P)
Project, the Resource Description Framework (RDF) and XML Schema.

Test suites cover the CSS1, CSS3 and CSS Mobile specifications, the
Document Object Model (DOM) Level 1, Hypertext Transfer Protocol (HTTP)
1.1, the MathML 2 specification, RDF, Synchronized Multimedia Integration
Language variants SMIL 2 and SMIL Animation, the Simple Object Access
Protocol (SOAP) 1.2, the Scalable Vector Graphics (SVG) format, XML Schema
and the Extensible Stylesheet Language (XSL).

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